COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

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THE APPLICATION OF DELTA NATURAL GAS

COMPANY, INC. FOR A CERTIFICATE OF

CONVENIENCE AND NECESSITY TO BID ON A

FRANCHISE OFFERED BY BARBOURVILLE,

KENTUCKY

CASE NO. 9382

ORDER

On July 10, 1985, Delta Natural Gas Company, Inc. ("Delta") filed with the Commission its Application seeking a certificate of convenience and necessity to qualify it to bid on a gas franchise in the City of Barbourville, Kentucky. Under the provisions of KRS 278.020(3), no utility may apply for a franchise from any governmental agency until it has obtained a certificate of convenience and necessity from this Commission based on our finding that there is a need and demand for the services sought to be rendered.

The Commission finds that there is a need and demand for gas service in the City of Barbourville, Kentucky. Since the Commission's authority in such matters is limited by statute to finding only whether there is a need and demand for the service sought to be rendered, no finding or determination is made as to the validity of any of the provisions of the

franchise offered by said city or the manner in which any franchise fee is to be treated for rate purposes.

IT IS THEREFORE ORDERED that Delta be and it hereby is granted a certificate of convenience and necessity which authorizes it to bid on a gas franchise in the City of Barbourville, Kentucky.

IT IS FURTHER ORDERED that Delta, if it becomes the successful bidder, shall file with this Commission copies of the said franchise.

IT IS FURTHER ORDERED that this Order shall not be construed as granting a certificate of convenience and necessity to construct utility facilities in said city.

Done at Frankfort, Kentucky, this 12th day of July, 1985.

PUBLIC SERVICE COMMISSION

Vice Chalman

Commission of

ATTEST: